The Council on Local Results and Innovation

2014 Legislative Report

February 1, 2014

BACKGROUND

In 2010, the Legislature created the Council on Local Results and Innovation. The purpose of this program is to aid residents, taxpayers, and state and local elected officials in determining the efficiency and effectiveness of counties and cities in providing services and measuring residents' opinions of those services. The first task of the Council was to develop a standard set of performance measures for counties and cities, which were submitted to the Legislature in February 2011. The second duty of the Council was to create an outline for a comprehensive "Performance Measurement System" for counties and cities. This system was developed by the Council and was implemented as a part of this program in 2012. In 2013, the Council reviewed how the revised performance measures and system were working, and participation rates in the program.

Participation in the standard measures program by a city or a county is voluntary. Jurisdictions that choose to participate in the standard measures program must officially adopt the corresponding standard performance measures developed by the Council and implement them. A jurisdiction that elects to participate in the standard measures program is eligible for a reimbursement of $0.14 per capita in local government aid, not to exceed $25,000, and is also exempt from levy limits for taxes payable in the following calendar year if such limits are in effect.

In order to receive the per capita reimbursement in their first year of participation, jurisdictions are required to file a report with the Office of the State Auditor that verifies that the governing body has adopted the standard set of measures. In order for those jurisdictions to receive the benefits of the program in the following years, they must meet the following criteria:

1) Submit a resolution approved by the city council or county board declaring that:
   - The city/county has adopted and implemented the minimum 10 performance measures developed by the Council on Local Results and Innovation.
   - The city/county has implemented or is in the process of implementing a local Performance Measurement System.
   - The city/county has or will report the results of the 10 adopted measures to its residents before the end of the calendar year through publication, direct mailing, posting on the entity's website, or through a public hearing at which the budget and levy will be discussed and public input allowed.

2) Submit the actual results of the adopted performance measures to the Office of the State Auditor.

2014 REPORT

In 2013, 47 cities (6%) and 22 counties (25%) were successfully certified by the Office of the State Auditor to the Minnesota Department of Revenue to receive the benefits of this program. These figures represent a modest decrease in participation in this program compared to 2012

levels and are significantly below the participation rates for 2011. The following table and chart provide specific participation data since 2011:

Program Participation Since 2011						
	2011		2012		2013	
	Number	% of total	Number	% of total	Number	% of total
Cities	113	13%	62	7%	47	6%
Counties	38	44%	25	29%	22	25%

City/County Participation
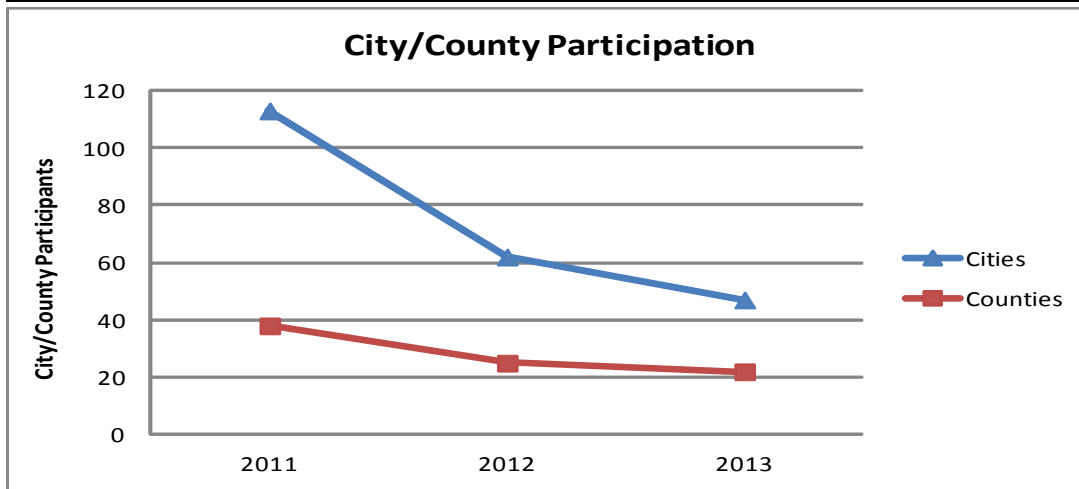
Based upon feedback received by the Council, there were several factors that contributed to the decline in participation in 2013, including:

- Cities and Counties were not exempted from levy limits in 2013 due to changes in Local Government Aid. Some agencies expressed frustration over this change and chose not to participate in the program in 2013.
- The reimbursement was too insignificant for many jurisdictions, particularly the very small cities and counties. Some jurisdictions decided that the program was too much work or too costly for the reimbursement of $0.14 per capita, especially when the additional incentive of being exempt from levy limits was no longer a factor.
- Jurisdictions were required to submit actual data and agree to the Performance Measurement System to receive the benefits of the program.

LEGISLATIVE RECOMMENDATIONS:

The Council is recommending, as it did in 2013, that the Legislature consider setting a reimbursement floor for participation in this program for 2014. This change would directly benefit the jurisdictions with small populations who do not receive adequate incentive due to the current funding mechanism. Specifically, the Council suggests that the Legislature consider setting a floor of $350.00. This figure is the current reimbursement rate of $0.14 per capita

multiplied by 2,500, which is the population threshold of a city that is still categorized as "small" by state statute. In addition, the Council recommends that the legislature consider allowing participating local governments to be exempt from levy limits. This was a seen as a significant benefit and incentive to participate by local governments.

In the coming months, the Council will pursue options to help jurisdictions meet the surveying requirements of some of the standard measures. This may include working through the State's purchasing contract to identify a vendor that would provide cost-effective surveying. The Council will also work to identify best practices in this area and will develop additional resources to support participation in this program.

This report is respectively submitted by the members of the Council on Local Results and Innovation:

- Dave Bartholomay, City of Circle Pines
- Richard Devlin, Olmsted County
- Sara Folsted, Renville County
- Mark Hintermeyer, City of Moorhead
- Linnea Mirsch, St. Louis County
- Rebecca Otto, State Auditor
- Matt Stemwedel, City of Coon Rapids, Chair
- Jay Stroebel, City of Minneapolis
- Wendy Underwood, Target Corporation (formally with the City of St. Paul)

Attachments:

1. Standard measures for Counties
2. Standard measures for Cities
3. Performance Measurement System

Attachment #1: Standard Measures for Counties

Category	#	Measure	Notes:
Public Safety	1.	Part I and II Crime Rates	Submit data as reported by the Minnesota Bureau of Criminal Apprehension
	2.	Citizens' rating of safety in their community (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	3.	Deputy Response Time	Time it takes on top-priority calls from dispatch to the first officer on scene
	4.	Percent of adult offenders with a new felony conviction within 3 years of discharge	
	5.*	Total number of accidents that occur on County State Aid Highways, County Roads and Un-Organized Township Roads that involve fatalities and injury	Available in Towards Zero Death reports
Public Works	6.	Hours to plow complete system during a snow event	
	7.	Average county pavement condition rating	Provide average rating and the rating system program/type. Example, 70 rating on the Pavement Condition Index (PCI).
	8.	Citizens' rating of the road conditions in their county (survey data, provide year completed and total responses)	Based on survey data max. of three years old
	9.*	Average Bridge Sufficiency Rating	
Public Health, Social Services	10.	Life expectancy generally and by sex and race	
	11.	Behavioral Risk Factor Surveillance system rating	
	12.	Workforce participation rate among MFIP and DWP recipients	Defined as "Percent of MFIP/DWP adults working 30 or more hours per week or off cash assistance three years after baseline"
	13.	Percentage of children where there is a recurrence of maltreatment within 12 months following an intervention	
	14.*	Child Support Program Cost Effectiveness	Recommended from 2012 Steering Committee report
	15.*	Percentage of low birth-weight children	Recommended from 2012 Steering Committee report; Available from MN Dept of Health, MN County Health Tables
Property Records, Valuation, Assessment	16.	Level of assessment ratio	If the median ratio falls between 90% and 105%, the level of assessment is determined to be acceptable; median ratio requested for all 3 types of assessment ratios submitted to Dept of Revenue
	17*	Turn-around time for recording, indexing and returning real estate documents	
Elections	18.	Accuracy of post-election audit (% of ballots counted accurately)	
Veterans Services	19.	Percent of veterans surveyed who said their questions were answered when seeking benefit information from their County Veterans' Office	
	20.*	Dollars brought into county for veterans' benefits	Federal and State dollars (this measure was recommended by 2008 OLA report)
	21.*	Percentage of veterans receiving federal benefits	This measure was recommended by 2008 OLA report
Parks, Libraries	22.	Citizens' rating of the quality of county parks, recreational programs, and/or facilities (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	23.	Number of annual visits per 1,000 residents	(Number of visits / Population) x 1,000 = visits per 1,000 residents
Budget, Financial Performance	24*	Bond rating	Standard & Poor's Ratings Services or Moody's Investor Services
	25*	Debt service levy per capita; outstanding debt per capita	Debt service levy per capita: total debt service levy / total population, Outstanding debt: total outstanding debt / total population
Environment	26*	Recycling percentage	Available in the SCORE report
	27*	Amount of hazardous household waste and electronics collected	

*New or amended measure

Attachment #2: Standard Measures for Cities

Category	#	Measure	Notes:
General	1.	Rating of the overall quality of services provided by your city (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	2.	Percent change in the taxable property market value	County assessor's office data
	3.	Citizens' rating of the overall appearance of the city (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	4.*	Nuisance code enforcement cases per 1,000 population	(Number of cases / Population) x 1,000 = cases per 1,000 population
	5.*	Number of library visits per 1,000 population	(Number of visits / Population) x 1,000 = visits per 1,000 population
	6.*	Bond rating	Standard & Poor's Ratings Services or Moody's Investor Services
	7.	Citizens' rating of the quality of city recreational programs and facilities (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	8.*	Accuracy of post election audit (% of ballots counted accurately)	
Police Services	9.	Part I and II Crime Rates	Submit data as reported by the Minnesota Bureau of Criminal Apprehension
	10.*	Part I and II Crime Clearance Rates	Submit data as reported by the Minnesota Bureau of Criminal Apprehension
	11.	Citizens' rating of safety in their community (survey data, provide year completed and total responses)	Example of responses: very safe, somewhat safe, neither safe nor unsafe, somewhat unsafe, very unsafe
	12.	Average police response time	Average time it takes to respond to top priority calls from dispatch to officer on scene.
Fire & EMS Services	13.	Insurance industry rating of fire services	Insurance Service Office (ISO) Rating. The ISO issues ratings to fire departments throughout the country for the effectiveness of their fire protection services and equipment. ISO analyzes data and then assigns a classification from 1 to 10. Class 1 represents superior property fire protection and Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria.
	14.	Citizens' rating of the quality of fire protection services (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	15.	Average fire response time	Average time it takes from dispatch to apparatus on scene for calls that are dispatched as a possible fire
	16.*	Fire calls per 1,000 population	(Number of calls / population) x 1,000 = calls per 1,000 population
	17.*	Number of fires with loss resulting in investigation	
	18.*	EMS calls per 1,000 population	(Number of calls / population) x 1,000 = calls per 1,000 population
	19.	Emergency Medical Services average response time	Average time it takes from dispatch to arrival of EMS
Streets	20.	Average city street pavement condition rating	Provide average rating and the rating system program/type. Example, 70 rating on the Pavement Condition Index (PCI).
	21.	Citizens' rating of the road conditions in their city (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor. Alternatively: good condition, mostly good condition, many bad spots
	22.*	Expenditures for road rehabilitation per paved lane mile rehabilitated (jurisdiction only roads)	Total cost for rehabilitations / lane miles rehabilitated
	23.*	Percentage of all jurisdiction lane miles rehabilitated in the year	Lane miles rehabilitated in year / total number of lane miles
	24.*	Average hours to complete road system during snow event	
	25.	Citizens' rating of the quality of snowplowing on city streets (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
Water	26.	Citizens' rating of the dependability and quality of the city water supply (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	27.	Operating cost per 1,000,000 gallons of water pumped/produced	Centrally provided system: (actual operating expense for water utility / (total gallons pumped / 1,000,000)) = cost per million
Sanitary Sewer	28.	Citizens' rating of the dependability and quality of city sanitary sewer service (Provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	29.	Number of sewer blockages on city system per 100 connections	Centrally provided system: (Number of blockages / number of connections) x 100 = blockages per 100 connections

*New or amended measure

Minnesota Council on Local Results and Innovation

<u>Performance Measurement System</u>

The following are steps that must be taken by a city/county to effectively adopt and implement a basic performance measures system.

1. City Council/county board and select staff should adopt **community goals** related to the services that are provided.
    a. Community goals are typically long-term (3 to 5 years or more) and describe the strategic objectives a city/county is seeking to achieve in the future. Examples of community goals include areas such as a safe community, livable neighborhoods, low taxes, and low unemployment.

2. Adopt by official **resolution** (see Attachment 3) and implement a minimum of 10 performance measures (see Attachment 2).

3. Establish appropriate **outcome and output measures** for the performance measures that were adopted.
    a. **Outcome measures** describe the results of services provided, and are used to help assess whether the community goals are being met. (give examples)
    b. **Output measures** detail the units produced, goods or service provided, or people served. An example of public safety services output would be police/sheriff or fire response times.

4. **Report** the results of the measures at least annually **to the public** through publication, direct mailing, posting on the city/county website, or a public hearing at which the budget and levy will be discussed and public input will be taken.

5. **Report** by July 1 of each year **to the Office of the State Auditor** to be eligible for the benefits of participation in the program. The reporting includes your official resolution (see Attachment 3), and the city/county results of the measures adopted and implemented. To report, go to www.auditor.state.mn.us and select "Forms", and then the Performance Measurement Program menu item.